REMARKS/ARGUMENTS

The Examiner is thanked for the review of the application. The instant response is a supplemental amendment to be added in addition to Amendment B previously filed in response to the office action mailed January 24, 2006.

Claims 1-14 remain in this application. New claims 7 - 14 have been added. No new matter has been added. Support for the added claims may be found as follows:

Claims 7 and 11: page 74, line 22 – page 75, line 3 of the specification as filed;

Claims 8 and 12: page 75, lines 15 – 17 of the specification as filed;

Claims 9 and 13: page 81, lines 20 - 123 of the specification as filed;

Claims 10 and 14: page 96, line 5 – page 97, line 1.

In the Office Action dated January 24, 2006, The Examiner has rejected Claims 1-4 under 35 U.S.C. 103(a) as being unpatentable over (US 5,377,095) Maeda et al., hereinafter Maeda. The Examiner has also rejected Claims 5 and 6 under 35 U.S.C. 103(a) as being unpatentable over (US 5,377,095) Maeda et al., hereinafter Maeda in view of Alan L. Montgomery and Peter E. Rossi, hereinafter Montgomery and Rossi.

As discussed in the original response, Maeda does not teach nor suggest the <u>imputation</u> steps as recited in the claims of the instant invention. Furthermore, Montgomery and Rossi does not teach nor suggest generation of imputed variables as disclosed by the instant invention. Montgomery and Rossi disclose an improved method for estimating price elasticities. The method in Montgomery and Rossi uses Bayesian modeling to give an improved estimation of price elasticities over existing least squares models. (See page 418, col. 1). The instant invention, on the other hand, imputes missing data from incomplete data sets in order to generate imputed variables to model costs. As discussed above, the instant invention provides the advantage of

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allowing for effective modeling from missing or incomplete data sets. The novel imputation step

is not taught by any of the cited prior art.

Because all of the added claims are dependent upon previously amended base claims

which are now believed to be allowable over the cited art, Applicants respectfully submit that the

added claims are also allowable over the cited art for at least the same reasons.

In sum, new dependent Claims 7 - 14 have been added and are believed to be allowable.

Applicants believe that all pending Claims 1 - 14 are now allowable over the cited art and are

also in allowable form and respectfully request a Notice of Allowance for this application from

the Examiner. Applicants hereby petition for a one-month extension of time within which to

respond to the referenced Office Action. Applicants also enclose our Credit Card Payment Form

authorizing the amount of \$120.00 to cover the extension of time fee. The commissioner is

authorized to charge any additional fees that may be necessary to facilitate the filing of this

response to our Deposit Account No. 50-2766 (Order No. DEM1P004). Should the Examiner

believe that a telephone conference would expedite the prosecution of this application; the

undersigned can be reached at telephone number 925-570-8198.

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Respectfully submitted,

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